

Message Text

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PAGE 01 NAIROB 11176 310851Z
ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 ISO-00 COME-00 STR-04

TRSE-00 CIAE-00 INR-07 NSAE-00 AGRE-00 SS-15

NSC-05 SSO-00 NSCE-00 INRE-00 /072 W

-----125957 310851Z /12

O R 310815Z AUG 77

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC IMMEDIATE 0944

INFO AMEMBASSY BRASILIA

AMEMBASSY LONDON

AMEMBASSY MEXICO

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

C O N F I D E N T I A L NAIROBI 11176

FOR EB ASSISTANT SECRETARY KATZ

FOR EB/TRP MR. O'DONNEL

E.O. 11652: GDS

TAGS: EPAP, PGOV, BR

SUBJECT: COFFEE -- DESIRE OF IBC PRESIDENT TO START BILATERALS

WITH U.S.

1. BRAZILIAN COFFEE INSTITUTE (IBC) PRESIDENT CALAZANS INVITED USREP TO ICO EXECUTIVE BOARD MEETING, NAIROBI, TO BREAKFAST AUGUST 31 TO DISCUSS REPRESENTATIVE VANIK'S AUGUST 24 STATEMENT AND NEED TO AVOID SERIOUS CONFRONTATION BETWEEN U.S. AND BRAZIL OVER COFFEE. CALAZANS SAID IT WAS HIGH TIME TO "GET COFFEE OUT OF THE PRESS AND BACK INTO THE CUP." INDUSTRY ADVISER TO USDEL SCHUR ACTED AS GO-BETWEEN IN ARRANGING BREAKFAST AND ATTENDED. CORNELL BARTOR WAS ONLY OTHER BRAZILIAN PRESENT.

2. CALAZANS SAID HE WAS SERIOUSLY CONCERNED TO HEAD OFF
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ANOTHER INJECTION OF COFFEE POLITICS IN U.S. - BRAZILIAN RELATIONS, AND FOR THIS REASON THOUGHT IT IMPERATIVE TO BEGIN BILATERAL DISCUSSIONS WITH U.S. SOONEST IN ORDER TO CALM MATTERS DOWN. IN THIS CONNECTION HE SAID HE WANTED TO BEGIN CONVERSATION WITH ASSISTANT SECRETARY KATZ OR O'DONNELL. HE SAID HE FELT IT WOULD NOT BE PRUDENT TO GO TO WASHINGTON HIMSELF (BECAUSE

OF PRESS INTEREST), BUT WANTED TO WORK SOMETHING OUT.

3. CALAZANS SAID IBC NEW YORK REPRESENTATIVE CESAR GOMEZ HAD BEEN INSTRUCTED TO CONTACT O'DONNELL AND PROBABLY HAD DONE SO ALREADY. GOMEZ HAS CALAZAN'S COMPLETE CONFIDENCE BOTH TO MAKE MEETING ARRANGEMENTS AND TO INITIATE TALKS ON SUBSTANCE, HE SAID.

4. REGARDING A PERSONAL MEETING WITH ASSISTANT SECRETARY KATZ, CALAZANS NOTED HE WOULD BE IN MADRID TO GIVE A SPEECH ON SEPTEMBER 19 AND WOULD BE IN LONDON FOR THE INTERNATIONAL COFFEE COUNCIL MEETINGS LATER. INFORMED OF THE POSSIBILITY THAT KATZ WOULD BE IN GENEVA FOR SUGAR NEGOTIATIONS IN SEPTEMBER, CALAZANS SAID HE WOULD BE WILLING TO GO THERE FOR A MEETING.

5. REGARDING REPRESENTATIVE VANIK'S STATEMENT, CALAZANS NOTED THAT VANIK'S WARNING OF RETALIATION AGAINST BRAZIL VIA GSP'S, SHOES AND TEXTILES HAD MET WITH IMMEDIATE, VIOLENT RESPONSE IN BRAZILIAN PRESS (O GLOBO, JORNAL DO BRASIL). HE FELT IT WAS IN EVERYONE'S INTEREST TO PUT THINGS INTO PERSPECTIVE AND TO AVOID SERIOUS DETERIORATION IN U.S. - BRAZILIAN RELATIONS.

6. USREP PROMISED PASS ON MESSAGE AND NOTED IT WAS HIS
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PERSONAL OPINION AS WELL THAT IT WAS TIME TO "PUT COFFEE BACK IN THE CUP." HE NOTED, HOWEVER, THAT STATEMENT ATTRIBUTED TO VANIK RE BRAZILIAN EFFORTS TO MANIPULATE THE MARKET WAS A WIDELY HELD VIEW IN THE U.S. USREP ALSO REMINDED CALAZANS OF U.S. CONCERN ABOUT RECENT ATTEMPTS BY BRAZILIANS TO BUY PHYSICALS IN MADAGASCAR AND ELSEWHERE. CALAZANS SAID THAT THERE WAS A GREAT DEAL OF MISUNDERSTANDING ON THAT ISSUE, BUT THAT PERHAPS ALL HE SHOULD SAY WAS, "NONE OF US IS WITHOUT SIN."

7. RE MEXICAN PROPOSAL, CALAZANS SAID BRAZIL MIGHT BE INTERESTED "IN PRINCIPLE," PARTICULARLY IF THERE WAS A CHANCE TO GET SOMEONE ELSE TO HELP FINANCE BRAZILIAN STOCKHOLDING. HE TENDED TO DISMISS THE PROPOSAL AS SOMETHING WHICH MIGHT BE APPROPRIATE FOR THE FUTURE BUT WHOSE IMPORTANCE TODAY WAS PRIMARILY FOR MEXICAN DOMESTIC POLITICS AND THE PERSONAL POSITION OF MEXICAN COFFEE INSTITUE DIRECTOR CANTU.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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From: NAIROBI
Handling Restrictions: n/a
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Review Exemptions: n/a
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Subject: COFFEE -- DESIRE OF IBC PRESIDENT TO START BILATERALS WITH U.S.
TAGS: EPAP, PGOV, BR, US, KE, IBC, (CALAZANS, CAMILLO)
To: STATE
Type: TE
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